

Genting Malaysia (GENM MK)

3Q25: Turning The Odds; US Catalysts Under Spotlight

Highlights

- 3Q25 results were above expectations, lifted by record-high revenue, better gaming volume and visitations from RWG.
- Plenty of US event catalysts have yet to be factored in within depressed valuations, with privatisation likely unsuccessful given unattractive offer price.
- Maintain BUY with a higher target price of RM2.68 (from RM2.35), as we raised 2025-26 earnings and are optimistic about Visit Malaysia year in 2026 (VM2026).

3Q25 Results

Year to 31 Dec (RMm)	3Q25	qoq % chg	yoy % chg	9M25	Yoy % chg	Remarks
Revenue	3357.8	15.0	22.1	8871.5	8.4	Lifted by RWG's earnings recovery
Adjusted EBITDA	866.7	8.4	19.9	2365.7	2.3	
Leisure – Malaysia	627.4	3.5	27.2	1751.9	9.4	Improved on higher GGR
Leisure – UK	86.3	22.9	(17.0)	212.0	(12.6)	Better gaming & non-gaming revenue
Leisure – US	151.2	27.7	21.7	388.6	(14.5)	Better gaming & non-gaming revenue
Others	(26.8)	(111.4)	(104.6)	252.4	(41.4)	
Pretax profit	256.8	(49.0)	(52.1)	944.1	10.4	
Net Profit	119.6	(71.3)	(79.0)	609.0	(14.1)	
Core net Profit	188.1	(7.3)	(23.0)	458.2	(27.8)	Deducting exceptional items
Margins (%)		+/- ppt	+/- ppt		+/- ppt	
Core adjusted EBITDA	25.8	(1.6)	(0.5)	26.7	(1.6)	
Core net profit	5.6	(1.4)	(3.3)	5.2	(2.6)	

Source: Genting Malaysia, UOB Kay Hian

Analysis

- 3Q25: Above expectations.** Genting Malaysia (GENM) reported record-high core adjusted EBITDA of RM867m (+20% yoy, +8% qoq) in 3Q25. 9M25 EBITDA exceeded expectations, making up 79% and 82% of our and consensus full-year forecasts respectively.
- RWG charted record-high top-line numbers, lifted by higher VIP volume and overall visitations.** Resorts World Genting's (RWG) record-high revenue and EBITDA growth (+27% yoy) was elevated by higher gaming volume, stronger VIP win rates and better visitations. Notably, hilltop visitors rose 3% yoy, while VIP gross gaming revenue (GGR) and mass GGR surged significantly by 25% and 17% yoy respectively.

Key Financials

Year to 31 Dec (RMm)	2023	2024	2025F	2026F	2027F
Net turnover	10,189.4	10,911.8	11,862.4	12,119.4	12,387.9
EBITDA	2,563.7	2,550.2	3,259.2	3,292.6	3,332.9
Operating profit	1,322.6	1,309.9	2,107.7	2,176.0	2,248.3
Net profit (rep./act.)	368.3	(108.9)	1,143.4	1,228.9	1,314.9
Net profit (adj.)	614.1	290.0	1,143.4	1,228.9	1,314.9
EPS	10.3	4.9	19.3	20.7	22.1
PE	22.7	48.1	12.2	11.4	10.6
P/B	1.1	1.2	1.1	1.0	1.0
EV/EBITDA	8.4	8.5	6.1	6.0	6.0
Dividend yield	6.0	4.3	2.6	4.3	5.1
Net margin	3.6	(1.0)	9.6	10.1	10.6
Net debt/(cash) to equity	67.2	73.0	58.1	46.2	35.8
Interest cover	3.4	3.2	4.5	4.9	5.2
ROE	2.4	(0.7)	9.2	9.3	9.4
Consensus net profit	n.a	n.a	560.8	661.7	818.8
UOBKH/Consensus (x)	n.a	n.a	1.14	1.10	1.06

Source: Genting Malaysia, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	RM2.35
Target Price	RM2.68
Upside	14.0%
Previous TP	RM2.35

Analyst(s)

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Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	GENM MK
Shares issued (m)	5,667.7
Market cap (RMm)	13,319.2
Market cap (US\$m)	3,221.1
3-mth avg daily t'over (US\$m)	12.2

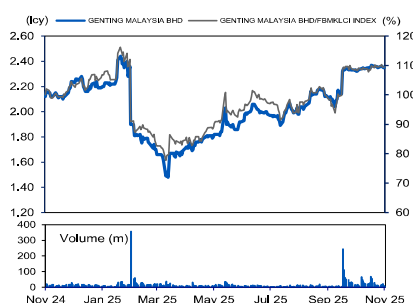
Price Performance (%)

52-week high/low				RM2.48/RM1.46
1mth	3mth	6mth	1yr	YTD
0.9	18.7	31.3	9.3	4.0

Major Shareholders

	%
Genting Bhd	62.78
Vanguard Group	1.76
AIA Bhd	1.31
FY25 NAV/Share (RM)	2.16
FY24 Net Debt/Share (RM)	1.25

Price Chart



Source: Bloomberg

Company Description

Casino, resort and theme park operator.

- **For RWG's non-gaming operations**, Genting SkyWorlds theme park ticket sales also improved about 97% yoy to 4,600 tickets/day as discounted ticket prices in tandem with Genting Group's 60th Anniversary attracted more crowds. Meanwhile, hotel occupancy rate was flat yoy at 98% (2Q25: 98%). Notably, GENM plans to impose charges on vehicles entering Jalan Genting Highlands, but we think that the impact towards visitations will be modest.
- **US operations: EBITDA surged qoq and yoy.** GENM's US operations – comprising Resorts World New York City (RWNYC), Bimini (Bahamas) and Empire Resorts (Empire) – delivered an EBITDA of RM151m (+22% yoy, +28% qoq) with a higher revenue of RM774m (+64% yoy, +34% qoq). The yoy earnings growth mainly reflects the full consolidation of Empire's performance.
- **UK operations: Weaker yoy earnings despite new acquisition, dragged by higher opex.** EBITDA declined 17% yoy despite higher revenue (+2% yoy) following higher contributions from the newly-acquired Genting Casino Stratford (formerly known as Aspers Stratford) in Apr 25. Nevertheless, earnings plunged yoy due to higher operating and payroll-related expenses.
- **Privatisation offer facing hurdles, outcome on 2 Dec 25.** Recall that Genting Berhad (GENT) intends to privatise GENM with a cash offer price of RM2.35 per share. Nevertheless, we retain our view that the exercise will likely face difficulty in achieving conditional acceptances (>90%), given: a) the unattractive offer price (below mean valuations, around 20% below 2024's peak share price); b) huge floating shares; and c) multiple re-rating catalysts from US operations, which have not been factored in. GENT now owns a 62.8% stake in GENM.
- **Three potential re-rating catalysts from US operations.** Firstly, GENM is still looking to dispose its Miami property which was valued at US\$1.225b back in 2023. Meanwhile, the outcome of RWNYC's US\$5.5b bid for a downstate New York casino licence will be announced in Dec 25, which may boost RWNYC's GGR by US\$603m and lift GENM's EBITDA by >US\$106m annually upon maturity. Notably, RWNYC's downstate casino can begin operations as early as 3Q26 if the group wins the bid. Thirdly, Empire's corporate exercise of selling its non-gaming assets to Sullivan County Resort Facilities Local Development Corporation for US\$525m (RM2.2b) cash is also progressing well. These three event catalysts will allow GENM to meaningfully enhance the group's financials.

Valuation/Recommendation

- **Maintain BUY with a higher SOTP-based target price of RM2.68 (from RM2.35)**, as we raised earnings and roll over to 2026. Our target price implies 6.5x 2026F EV/EBITDA (-1.5SD below historical mean).

Earnings Revision/Risk

- **Raised our 2025-26 earnings forecasts by 4-8%**, factoring in higher-than-expected visitations in RWG which will be further lifted by VM2026.

Environment, Social, Governance (ESG) Updates

Environmental

- 1,180 tonnes of recyclable waste collected globally in 2020, 0.433m mt of carbon dioxide reduction for carbon footprint.

Social

- Provided jobs for over 14,000 employees globally.
- Over RM8m worth of community investments.

Governance

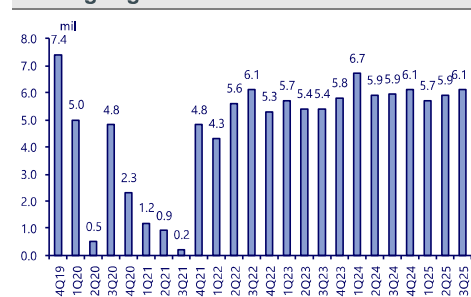
- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).

EV/EBITDA



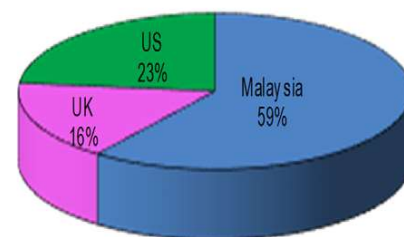
Source: UOB Kay Hian

Genting Highlands' Visitor Arrivals



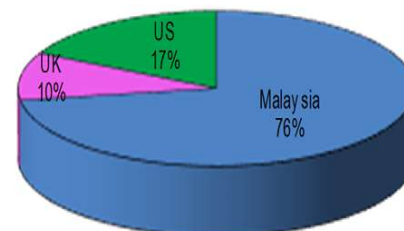
Source: GENM, UOB Kay Hian

Revenue By Country (3Q25)



Source: GENM, UOB Kay Hian

EBITDA By Country (3Q25)



Source: GENM, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Net turnover	10,912	11,862	12,119	12,388
EBITDA	2,550	3,259	3,293	3,333
Deprec. & amort.	1,240	1,151	1,117	1,085
EBIT	1,310	2,108	2,176	2,248
Associate contributions	0	0	0	0
Net interest income/(expense)	(803)	(721)	(676)	(635)
Pre-tax profit	127	1,387	1,500	1,613
Tax	(325)	(333)	(360)	(387)
Minorities	89	89	89	89
Net profit	(109)	1,143	1,229	1,315
Net profit (adj.)	290	1,143	1,229	1,315

Balance Sheet

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Fixed assets	13,779	13,793	13,377	12,992
Other LT assets	10,484	10,484	10,484	10,484
Cash/ST investment	3,537	4,803	5,968	7,098
Other current assets	768	821	839	858
Total assets	28,571	28,677	29,534	30,388
ST debt	300	300	300	300
Other current liabilities	3,042	3,126	3,205	3,284
LT debt	11,938	11,938	11,938	11,938
Other LT liabilities	2,248	1,397	1,398	1,399
Shareholders' equity	11,925	12,797	13,575	14,348
Minority interest	(882)	(882)	(882)	(882)
Total liabilities & equity	28,571	28,677	29,534	30,388

Cash Flow

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Operating	2,323	2,237	2,317	2,372
Pre-tax profit	127	1,387	1,500	1,613
Tax	(325)	(333)	(360)	(387)
Deprec. & amort.	1,189	1,151	1,117	1,085
Associates	(467)	0	0	0
Working capital changes	(9)	31	60	61
Other operating cashflows	1,808	0	0	0
Investing	(1,183)	(700)	(1,700)	(1,700)
Capex (growth)	(567)	(700)	(1,700)	(1,700)
Investments	(467)	0	0	0
Proceeds from sale of assets	2	0	0	0
Others	(151)	0	0	0
Financing	(1,442)	(271)	(451)	(542)
Dividend payments	(850)	(271)	(451)	(542)
Issue of shares	0	0	0	0
Proceeds from borrowings	4,776	0	0	0
Loan repayment	(4,654)	0	0	0
Others/interest paid	(714)	0	0	0
Net cash inflow (outflow)	(302)	1,266	165	130
Beginning cash & cash equivalent	3,885	3,537	4,803	4,968
Changes due to forex impact	(47)	0	0	0
Ending cash & cash equivalent	3,537	4,803	4,968	5,098

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	23.4	27.5	27.2	26.9
Pre-tax margin	1.2	11.7	12.4	13.0
Net margin	(1.0)	9.6	10.1	10.6
ROA	(0.4)	4.0	4.2	4.4
ROE	(0.9)	9.2	9.3	9.4
Growth				
Turnover	7.1	8.7	2.2	2.2
EBITDA	(0.5)	27.8	1.0	1.2
Pre-tax profit	(79.1)	996.2	8.1	7.5
Net profit	n.a.	n.a.	7.5	7.0
Net profit (adj.)	(52.8)	294.3	7.5	7.0
EPS	(52.8)	294.3	7.5	7.0
Leverage				
Debt to total capital	52.6	50.7	49.1	47.6
Debt to equity	102.6	95.6	90.2	85.3
Net debt/(cash) to equity	73.0	58.1	46.2	35.8
Interest cover	3.2	4.5	4.9	5.2

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